

## **Section: Secondary Programs**

### **Title: Secondary Equipment**

The local education agency (LEA) is required to maintain a local inventory of equipment. The LEA is also responsible for maintaining the equipment and exercising reasonable care and safekeeping of this equipment.

When equipment is acquired by a consortium; wholly or in part with funds provided by the Division, title shall be vested in the consortium fiscal agent and maintained on inventory until disposed of in accordance with state and/or federal regulations governing such properties.

Approval must be given by the Division prior to any diversion, sale, or trade-in of equipment purchased with funds provided in whole or in part by the Division.

#### **Definitions:**

Acquisition cost of an item of purchased equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty or protective in-transit insurance shall be included in or excluded from the unit acquisition cost in accordance with the regular accounting practices of the organization purchasing the equipment. If the item is acquired by trading in another item and paying an additional amount, acquisition cost means the amount received for trade-in plus the additional outlay. (Section 74.132, EDGAR)

Amount received for trade-in of an item of equipment traded in for replacement equipment means the amount that would have been paid for the replacement equipment without a trade-in minus the amount paid with the trade-in. The term refers to the actual difference, not necessarily the trade-in value shown on an invoice. (Section 74.132, EDGAR)

Equipment means tangible personal property having a useful life of more than two years and an acquisition cost of \$500 or more. (Section 74.132, EDGAR) NOTE: Computer software is considered to be supplies.

LEA means a local school board or a State corrections educational agency.

Personal property means property of any kind except real property. It may be tangible-having physical existence, or intangible-having no physical existence, such as patents, inventions, and copyrights. (Section 74.132, EDGAR)

Replacement equipment means property acquired to take the place of other equipment. To qualify as replacement equipment, it must serve the same function as the equipment replaced and must be of the same nature or character, although not necessarily the same model, grade, or quality. (Section 74.132, EDGAR)

Special or Ancillary Services--Projects or programs which are supportive to Professional-Technical Education i.e., Research, Guidance, Special Populations, Exemplary Projects, Personnel Development and Curriculum Development.

Supplies mean all tangible personal property other than equipment. (Section 74.132, EDGAR) NOTE: Computer software is considered to be supplies.

**Title:**

When equipment is acquired by an LEA, wholly or in part with funds provided by the Division, title shall be vested in the LEA and maintained on inventory until disposed of in accordance with state and/or federal regulations governing such properties.

When equipment is acquired by a consortium, wholly or in part with funds provided by the Division, title shall be vested in the consortium fiscal agent and maintained on inventory until disposed of in accordance with state and/or federal regulations governing such properties.

**Requesting Equipment from the Division:**

In order to purchase equipment and receive reimbursement from the Division, the LEA/Consortium must secure prior approval. Approval of original application constitutes prior approval. Only the specific number and kind of approved items in the original application may be purchased unless an amendment has been approved by the appropriate program manager. Approval of an amendment must be in writing before a purchase is made.

Amendments -- Changes may be expected because of price increases, recommendations by advisory committees, obsolescence, or other reasons. All amendments for purchase of equipment should be requested prior to February 15.

**Actual Equipment Purchase:**

The LEA/Consortium Fiscal Agent is responsible for purchasing equipment approved by the Division for use in professional-technical programs. All local and state laws, regulations and procedures must be followed in the purchase of equipment. For example, if local regulations require formal bids, then formal bids must be obtained. After an LEA/Consortium Fiscal Agent has been notified that equipment has been approved for purchase, such equipment must be purchased or a signed purchase order shall be executed by April 1 of the current fiscal year. If invoices for equipment purchased are not received and payment made by the LEA/Consortium Fiscal Agent prior to June 1 of the current fiscal year, reimbursement may be disallowed and the equipment request may become null and void. Exceptions to these timelines, particularly for equipment purchased with State General Account money, may be granted upon approval by the Division.

All equipment purchased by LEAs/Consortiums with funds provided by the Division must meet all federal and state occupational safety and health administration rules and regulations. LEAs/Consortiums should require a statement of safety compliance of rules and regulations from vendors before purchase is made.

**Submitting Claim to the Division for Equipment Purchased:**

Reimbursement claims for approved equipment purchased by the LEA/consortium are due July 15, but must be submitted no later than September 30 of the next fiscal year. The Division of Professional-Technical Education Inventory Record Form #25 is submitted to the Division to substantiate reimbursement claims that include equipment meeting the definition identified in Section I-C. Put only items for one program/project on each Form #25. A paid invoice must be on file at the LEA/Consortium Fiscal Agent and retained for compliance with state and federal regulations.

**Use of Equipment Purchased with Funds Provided by the Division:**

The LEA/Consortium shall retain and use all equipment in an approved Professional-Technical Education program as long as there is a need for the purpose intended for such equipment. Equipment must be used in an approved Professional-Technical Education program or for special Professional-Technical Education projects and/or ancillary services.

Equipment purchased with funds provided in whole or in part by the Division, when not being used to carry out the purposes for which it was purchased or other Professional-Technical Education purposes may be used for other instructional purposes if the acquisition of the equipment was reasonable and necessary for the purpose of conducting a properly designed project or activity.

The use of the equipment purchased with funds provided in whole or in part by the Division when not being used to carry out the purposes for which it was intended must: (a) be incidental to the use of that equipment for the purposes for which it was purchased; (b) not interfere with the use of that equipment for the purposes for which it was purchased; and (c) not add to the cost of using that equipment for the purposes for which it was purchased. (Section 403.197, Federal Regulations for Carl D. Perkins Vocational and Applied Technology Education Act)

**Maintenance of Equipment:**

Adequate maintenance procedures shall be implemented by the LEA/Consortium to keep the equipment in good working condition and repair. The cost of such maintenance is borne by the LEA/Consortium.

**Inventory Control:**

Procedures for managing equipment (including replacement equipment) until transfer, replacement, or disposition takes place shall, at a minimum, meet the following requirements:

Property records shall be maintained accurately. For each item of equipment, the records shall include:

Description of the equipment, including manufacturers' model number; Identification number, such as the manufacturers' serial number; and, Identification of the grant under which the recipient acquired the equipment.

The information needed to calculate the Federal share of the equipment shall include:

Acquisition date and unit acquisition cost;  
Location, use and condition of the equipment, and reporting date; and,  
Pertinent information on the ultimate transfer, replacement, or disposition of the equipment.

A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented by local police or law enforcement officials.

The LEA/Consortium Fiscal Agent shall be responsible for replacing or repairing equipment which is lost, damaged, stolen, or destroyed.

Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

Where equipment is to be sold and the Federal Government is to have a right to part or all of the proceeds, selling procedures shall be established which will provide for competition to the extent practicable and result in the highest possible return. (Section 74.140, EDGAR)

Disposition or Diversion of Equipment When No Longer Needed in a Professional-Technical Education Program or Consortium.

In the event the membership of a consortium changes, or if a consortium is dissolved, equipment purchased by the consortium for federal projects will revert to the Division. Districts that disengage themselves from a consortium may be allowed to retain equipment purchased for federal projects if the projects are maintained. If no appropriate Federal projects are maintained the Division will transfer the equipment to other appropriate federal projects based on need.

When there is no longer a need for such equipment to accomplish the purpose of the program or if the equipment becomes worn out or obsolete, the LEA/Consortium Fiscal Agent shall notify the Division of this fact and request disposition instructions and specific policies governing the particular piece of equipment (Vo-Ed Form #23a). **NO EQUIPMENT IS TO BE DIVERTED, SOLD, OR TRADED WITHOUT WRITTEN PERMISSION FROM THE DIVISION.** The Division will determine the disposition of all equipment purchased with funds provided by the Division.

Sale. The Division may or may not require that money be refunded for its share of the proceeds of the sale of equipment. If a refund is required, it shall be at a rate of the original cost to the LEA/Consortium less the depreciation (see Item j.(5)).

Trade-In. The value of equipment traded will be subtracted from the cost of the new equipment purchased. The Division will calculate the amount of reimbursement on the net cost to the LEA/Consortium. The inventory value of the new equipment will be the trade-in value plus the LEA/Consortium's cost plus the Division share and equal to the purchase price without a trade-in. The following example demonstrates this method:

New equipment cost	\$900
Trade-in value of equipment traded	-200

Net cost	\$700
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Inventory value of new equipment equals:

Trade-in value	\$200
Division reimbursement	+329
LEA cost	+371
Inventory value	\$900

**Termination of Program:**

When a professional-technical program is terminated or temporarily discontinued the Division will determine the time and method of disposition of the equipment.

When written notification provides reasonable assurance that a professional-technical program will be re-instated the school year following a program termination, a maximum period of one year may be allowed before disposition of equipment is undertaken.

The Division will determine the method of depreciation and amount due the federal or state government and notify the local district/Consortium Fiscal Agent accordingly. The value of such equipment will be determined on the basis of the sale price in case of a bona fide sale or the fair market value in the case of discontinuance of use, or diversion for other than Professional-Technical Education purposes.

The actual disposition of the equipment may be accomplished by either of the following methods:

The LEA/Consortium Fiscal Agent shall return a cash refund to the Division

The Division shall credit the LEA/Consortium Fiscal Agent in the amount of its share at the time of disposition of equipment and transfer such equipment to another professional-technical program or location.

The Division retains the option to transfer any or all equipment purchased solely with State and/or Federal funds.

The value of the equipment will be determined as of June 30 of the fiscal year when the professional-technical program ceased operation. The value of all equipment shall be either the cash value as determined by the supplier of the equipment or the estimated depreciated value based on the following policy, whichever is higher:

All furniture, fixtures, desks, chairs, or similar equipment shall be based on a straight line depreciation method of 20 years or five percent per year with no estimated salvage value.

All instructional machines such as power driven saws, grinders, drill presses, welders, engine testing equipment, typewriters, calculators, adding machines, duplicating machines, washing machines, refrigerators, stoves or other equipment which may fall into this grouping, shall be based on a straight line

depreciation method of 10 years or 10 percent per year with no estimated salvage value.

All computers, computer hardware and computerized equipment such as monitors, printers, CAD, CAM, automotive diagnostics, microwaves, etc shall be based on a straight line depreciation method of 3 years or 33 percent per year with no estimated salvage value.

All hand tools such as wrenches, and screwdrivers, and teaching aids such as tapes, and transparencies, or other durable teaching aids shall be based on a straight line depreciation method of 5 years or 20 percent per year with no estimated salvage value.

In determining the fair market value of equipment, the Division shall have the prerogative to determine the specific category and the depreciated value of the equipment to be disposed of.

The following forms may be found on the Division website at [www.pte.idaho.gov](http://www.pte.idaho.gov)

State Division of Professional-Technical Education Inventory Record Form #25

Transfer of Property, PTE Form No. 23c

Notification Request of Inventoried Professional-Technical Equipment,  
PTE Form No. 23A

Contact Dan Petersen, Director of Research, at (208) 334-3216 or  
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